Investment Idea

Sastasundar Ventures Ltd

Best stocks aren't always going to be the most familiar.

Date: 1st November, 2020

Contents

Snapshot

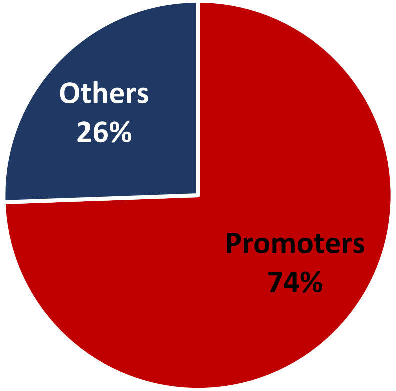
- **Total Weightage % in Portfolio = 6%**
- **Two Phase Buying Strategy = Buy 3% around CMP 95 and add 3% if price falls down to Rs 70-75 range.**
- **Price Target = Rs 450 in next 3 years; 10x in next 5 years & if management deliver as expected, it can be 100x in next 10 years!!!**

SastaSundar Ventures Ltd is one of the early movers into the booming Indian online pharmacy segment. The company started out its operations in West Bengal and is now present in over 8 states with delivery across the country through its 3 warehouses.

They follow an online to offline model of operations thus bringing in the benefits of e-Commerce and Hyperlocal business models. The company's mission is to provide genuine medicines and healthcare services at affordable prices in a consistent and convenient manner.

Promoter Holding (%)

As on September, 2020



Source: Company Disclosures

Market Cap: INR 303 Cr.	Current Price: INR 95.40	52 weeks H/L: 117.00 / 38.70
Book Value: 64.50	Stock P/E: -	Dividend Yield: 0%
ROCE: -32.00%	Debt to Equity: 0.04	Dividend Payout: 0%
Face Value: 10	Promoter Holding: 74.40%	Pledged Percentage: 0%
Sales Growth (3Y): 42.00%	Profit Growth (3Y): -36.00%	Cash Conversion Cycle: 49.10

Source: Screener.in, As on October 30, 2020

Investing in Startups

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Dear Friends,

Investing in a startup or in a company that has not breakeven can be tricky. Startup ventures typically have little or no income thus evaluating the intrinsic value of a company is extremely hard. Furthermore, startups don’t have track records that can be studied to understand their stability. Therefore one must rely more on the qualitative parameters when assessing an early-stage company. When in doubt we always look towards Warren Buffett for some wisdom. **Our latest recommendation is a company that is operating in a nascent but rapidly growing sector of online pharmacies. We will be concentrating on three major parameters while analyzing this company inspired by Mr. Buffett himself.**

One of Buffett’s core investment principles is **investing in a great management team**. Investing in serial entrepreneurs is another way to help identify potentially successful startups. According to a study published in the Harvard Business Review, experienced entrepreneurs (failed entrepreneurs included), have a much higher predicted success rate then first time entrepreneurs. When you invest in a startup, you invest in the company’s management. Finding a company with responsible, experienced leaders meets the Buffett standard for investing in a great team.

The second parameter is **investing in companies with simple business models** meaning it is easy to understand how they will make money. By doing so this leads us to our next parameter.

Invest in companies that have recurring annual revenue and clear earnings predictability. Look out for companies that generate recurring revenue by addressing a huge market with a perpetual demand.

Unlike the US, where the top three pharmaceutical distributors have a 90% share in the market, India’s is a fragmented market with over 8 lakh pharmacies — this gives online pharmacies an opportunity to capture their space without opposing large traditional retailers. Currently, companies in the Indian e-pharmacy space mainly operate three business models — **marketplace, inventory-led hybrid (offline/online) and franchise-led hybrid (offline/online)** — depending on the way the supply chain is structured.

The company we are going to discuss has pioneered an innovative and sustainable hybrid model by leveraging upon the pros and cons of the online and offline retail models.

SastaSundar Ventures Ltd

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- The company was incorporated as "Satyam Fiscal Services Private Limited" on June 6, 1989 as a private limited company.
- The name of the Company was changed to "Microsec Financial Services Private Limited on October 17, 2005.
- The company offered various financial services like Investment Banking, Brokerage – Equity, Commodity & Currency, Depository Services, Loan against shares, Research, Financial Planning – Club Kautlya and Financial Products : Insurance (Life / Non-life), Mutual Funds, Fixed Deposits, Bonds, NPS and Loans.
- **During FY14 the management ventured into its now core business of online pharmacy through its subsidiary called SastaSundar Healthbuddy Pvt Ltd.**
- **Sastasundar Ventures Ltd is a digital Network of Healthcare managing efficient Pharma Supply Chain & connecting Doctors, Diagnostic Services, Healthcare Clinics and Health Information Services.**
- **In FY17 the management exited its financial services business to fully focus on scaling its SastaSundar.**
- **The SastaSundar Digital Network is built upon Online to Offline model of healthcare delivery leveraging technology and inventory less service of franchise called Healthbuddy.**
- As on March 31, 2020 the Company has ten subsidiaries (both direct and step down).
- The company has a **92% customer retention ratio** as per management’s commentary.

Awards & Recognitions

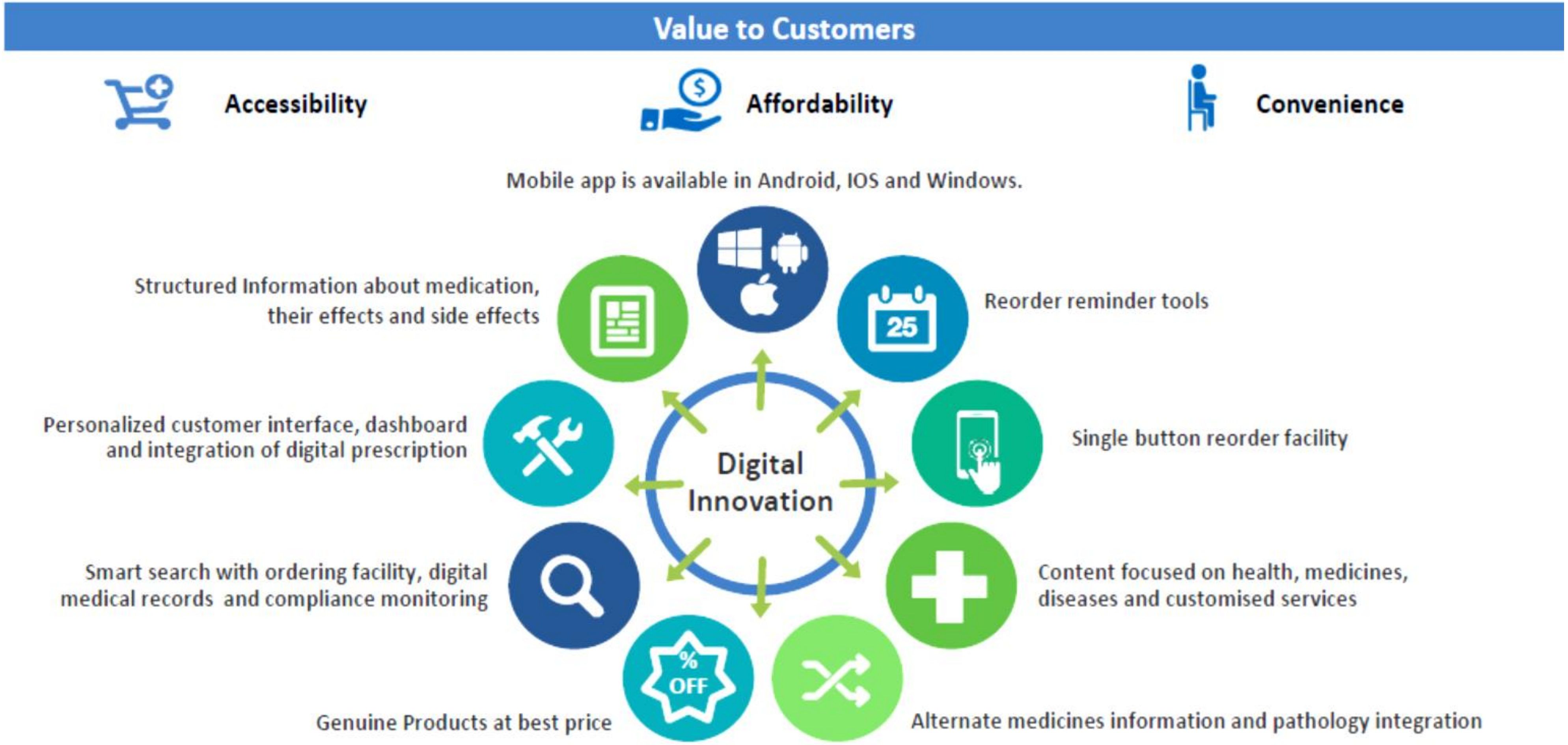
2018 – Awarded “Leading Technology Company” By Deloitte In Deloitte Technology Fast 50 India Program 2018.

2019 – Awarded the “Best E-commerce in healthcare” by Times Business Awards.

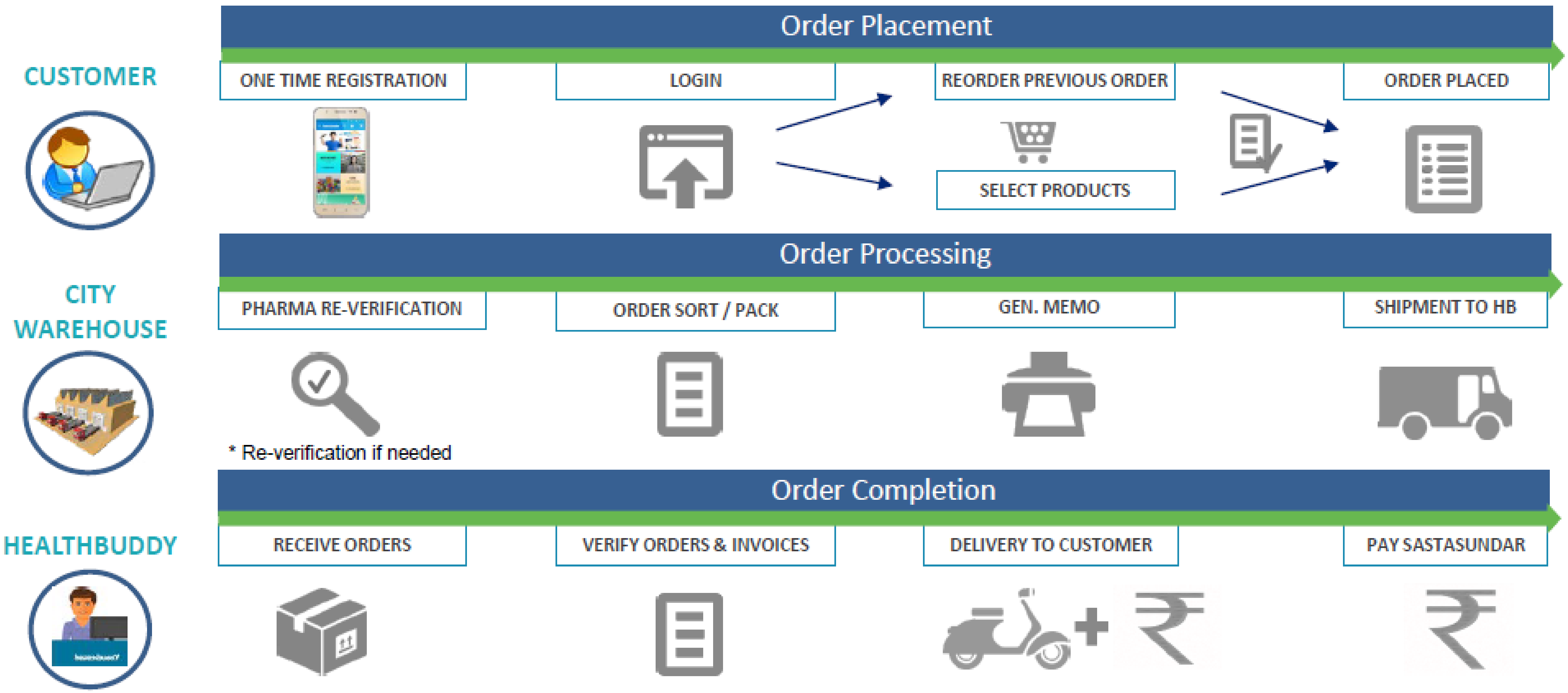
2020 – SastaSundar App has been recognized as 100% Indian App and was selected as one of India's Best AatmaNirbhar App by Government of India in the latter's 'Digital India AatmaNirbhar Bharat: App Innovation Challenge'.

SastaSundar App

The company focuses to provide customer centric personnel servicing with the help of artificial intelligence and analytics.



Operations Overview



Other Business Segments

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The management has already leveraged its existing network of Healthbuddies to venture into new initiatives..

- **Genu Path Labs Ltd** is a wholly owned subsidiary of the company, incorporated on Sep 1st, 2017.
- **This will enable the Healthbuddy network to provide extension of service from pharmacy to pathology.**
- Centralized path lab in Kolkata supported with multiple reference labs.
- In FY20, the company has done 1.2 lac tests and clocked a revenue of INR 208 lacs.

- **Connect** is an online platform for booking doctors appointment and healthcare services at home.
- **Wellnessbuddy** to promote products of its own brands.

- **RetailerShakti** is a platform to encourage and empower neighborhood retailers to be part of an organized inventory, technology and finance system.
- The company looks to leverage its supply chain capabilities to assist retailers in increasing their sales and enabling them to maintain lesser inventory by facilitating real-time purchase and keeping track of stocks available on their mobile phones.
- **We believe this initiative of the company will bring in new Healthbuddies and lead to high switching costs to its competitors looking to replicate this model.**
- 17,000 registered retailers in FY20

Own Wellness Brands

The company has also ventured into building wellness brands and have come with a wide range of products like **DNAVITA** (Customized Health Supplement Made of Natural Ingredients), **ChefOn** (Make to order range of bakery, confectionary and snack items), **Pure & Fresh** (Tea & Spices) and a wide range of Healthbuddy Herbal etc.

The health and food industry sector is at a budding stage in India and it is poised to showcase better growth by combining the understanding of healthy food in the market. **Energy boosting, Organic food and Meal kits are the three major trends shaping up in the industry. The company has products addressing all the three trends.**








Online Pharmacy – Need of the hour

Pharmacies are ever-present yet critical establishments which are often the first points of access to medicines. However, in India, **the density of pharmacies is higher in urban areas than that in rural areas. People living in remote villages are required to travel to nearby towns to access healthcare services. In addition, another major factor which directly impacts the access to medicines is the inability of the retail pharmacy to store a wide range of products, forcing the consumers to visit multiple stores for procuring all the specified medicines.**

Accessibility, affordability and lack of awareness are the major challenges for last mile access to medicines. These barriers could be effectively overcome by adopting technology, specifically the Internet, into the healthcare system. With the help of technology, healthcare is likely to undergo a revolution and will upgrade to a stage where the consumer would be informed and empowered.

E-Pharmacy is basically an online medical shop where you can purchase medicines and other pharmacy products from the comfort of your home. All you need to do is upload a prescription on the app and place an order for the pharmacy products you need. The good part is that online pharmacies have some of the most uncommon medicines as well so you don’t need to run around in search of those tabs.

It’s worth noting that the online pharmacy market is gaining cooperation from the Government, in the form of drafting pharmaceutical policy around 2015. The mention in the Niti Aayog’s three-year roadmap about the development of e-pharmacies comes as a relief to the stakeholders. The fact that the government is taking steps to bridge all possible gaps and develop this area of e-commerce is a signal towards a brighter future for the area.

e-Pharmacy models are well aligned to address key known issues in pharmacy retail for tracking authenticity, traceability of medicine, abuse prevention, addressing consumption of drugs without prescription, tax loss and value added services for consumer empowerment in healthcare, which are all key areas of national development.

For the e-pharmacy market to grow, one of the key areas to focus upon is consumer awareness. Educating the common consumers to understand the importance of complying with the policies and following the law is the need of the hour. It’s only when the consumers will cooperate with the decision-makers to adhere to the set rule of uploading prescriptions and buying medicines from legal license holders is when the growth of online pharmacies will become steady.

Is there a market for the business?

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Are there strong barriers to entry?

Licenses create a "barrier to entry" for procuring and distributing drugs. Distributors who don't have the license to procure in a particular state, but have a license in another one, would have to send their drugs across two states. e-Pharmacies operate in the grey of regulations, and because rules are uncertain, large players in the market will be rewarded in an outsized manner if rules move in their favor.

If the rulings fall in the favor of e-pharmacies, they could free online pharmacies of having state-specific licenses. A domestic license would be enough for online players to distribute drugs all across the country, which provides significant abilities to scale. With recognition on the right side of the law, e-pharmacies will be able to combat local pharmacies better. Patients will trust e-pharmacies more because of their transparency.

Trust, though, will be a bigger hurdle than regulations for e-pharmacy players.

Is the market ready?

Medicines, unlike like electronics or food, are extremely critical to health. **The business is one of repeat. The implication is that customers will necessarily purchase repeatedly.**

Does the market have money?

35% of the domestic pharmaceutical market relates to chronic medications and the remaining 65% to acute medicines. Out of this, e-pharmacies are expected to target 85% of the chronic market and 40% of the acute medicine market (up from 25% in 2019) by 2023.

It is expected that the e-Pharmacy model could account for 5-15% of the total pharma sales in India, largely by enhancing adherence and access to the medicines for a lot of under-served population.

Show me the money!

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Are investors interested in the industry?

Investors like to put their money into industries that are already big and already growing. Take the taxi industry for example. Once Uber entered the market, investors saw that it was a disreputable industry. The money started flowing, spawning startups such as Lyft, Sidecar, Flywheel, Curb, Hailo, Summon and on and on.

The online pharmacy sector in India was already popular due to the sheer ease (doorstep delivery) and big discounts offered by online pharmacists. According to Tracxn there are up to 245 e-pharmacy start-ups in India. **As per research by FICCI, the sector saw an investment of over $700 million in FY20.** Clearly, the big boys have been watching. In fact, the e-pharma sector saw two retail giants enter the market a few months ago. Reliance Retail acquiring a majority stake in Chennai-based e-pharmacy Netmeds and the launch of Amazon’s online drug delivery services. And now Walmart owned Flipkart is looking to join the party.

A TOI article has top e-pharma founders and executives stating, that while online sales contribute just 3% of the total medicine market the recent development will have a lasting impact including a steady slide in discounts offered. According to a report by Frost and Sullivan, the e-pharmacy market in India is estimated to be around US $512 million in 2018 and is estimated to grow at a CAGR of 63% to reach US $3,657 million by 2022.

The global e-pharmacy market is currently led by North America and Europe. However, the major opportunity lies in addressing the vast unmet needs of the developing Asia Pacific market.

SastaSundar had two major funding:

- **Japan-based pharmaceutical company Rohto Pharmaceutical invested $5 Mn (INR 32.4 Cr) in 2017** in exchange for a 13% stake to expand its base in India. This deal paved way for the Pan India expansion of the company.
- **Japanese conglomerate Mitsubishi invested $13.92 Mn (INR 100 Cr.) in 2019.**

Covid-19 – A savior in disguise

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The fact that Covid-19 and the ensuing lockdowns have propelled India's adoption of all things digital is now an established fact. It should then come as no surprise that the online pharmacy sector is booming in India. COVID-19 pandemic has clearly shown the importance of technology and digital infrastructure for providing access to affordable and quality medicines and healthcare services to the consumers across the country.

Pre Covid-19	During Covid-19 Lockdown	Post Covid-19 forecasts
3.5 Mn ePharmacy households in FY20	**9 Mn** Households using ePharmacy in May'20	**70 Mn** Households to use ePharmacy by FY25
50+ ePharmacy companies in India	**50%** new households onboarded from non-metro cities	**70%+** users willing to use ePharmacy post-COVID-19 due to positive COVID-19 experience – stronger adoption among low income households (Source(s): RedSeer surveys)
$700 Mn+ ePharmacy investments in FY 20	**19** out of 29 state government identified ePharmacy as essential service post MHA guideline	**Co-existence** of ePharmacy & offline pharma to drive consumer impact
30k+ people employed by ePharmacies	**70%+** consumers positively impacted by ePharmacy player initiatives during lockdown (Source(s): RedSeer surveys)	**Social health** initiatives to receive positive thrust as government adopts ePharmacy technology
60 Mn addressable households that shop online & are willing to use ePharmacy	**+ve** sentiment among investors towards the ePharmacy market	**Chronic care** streamlining opportunity with tech-led pharmacy system

Source: FICCI

Can we kill it if we try?

When a company enters into a market, its competitors will be trying to kill it anyway. The more resilient the business model of the company, the more it can survive disruptions in the market.

On the surface SastaSundar operates just like any other online pharmacy platform. Customers order their medicines through the app and after all the channel checks are done, the medicines are delivered to the customers.

The aspect that differentiates the company from its competitors is that it has a last mile Network of exclusive franchisees called "Healthbuddy", which are Inventory-Less Micro Pharmacies which focus on last mile deliveries, counselling, customer relationships, cross selling and compliance.

The company also operates 3 warehouses in Kolkata, Mumbai and NCR. This enables them to store a wide variety of medicines which local pharmacies are often not able to do. Local pharmacies in India are often small in size and have low offering baskets thus are not able to fill the entire prescriptions.

The online to offline business model has enabled the SastaSundar to cater to the needs of customers from various backgrounds. The mobile app caters to the needs of customers who have access to the internet, whereas the Healthbuddy network caters to the population that do not enjoy this luxury.

This Hyperlocal focus of the company's supply chain enables SastaSundar to penetrate the markets beyond the metros and tier 1 cities. With 3 warehouses already up and running, the company is well equipped to service more local pharmacies in terms of business and supply of medicines.

The RetailerShakti platform further solidifies the company's partnerships with these local pharmacies as they do not have to worry about the storage and supply of medicines. We believe the this platform will enable the company to rope in more local pharmacies into its Healthbuddy network as they enter newer markets.

While other companies have started following an online to offline model, SastaSundar has been an early mover in setting up infrastructure and supply chain to enable seamless business operations.

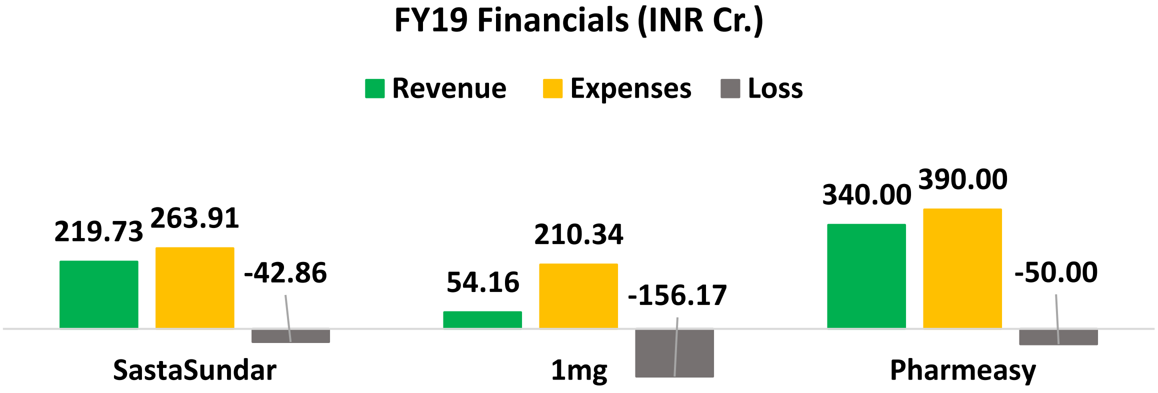
Industry experts believe that tech-enabled collaboration between online and offline pharmacies will be the way forward to co-drive value for consumers – e.g., tie-ups with local pharmacies to offer last-mile delivery by allowing offline vendors to expand the base.

Competition

With the entry of Amazon and Reliance into the mix, the competition in the e pharmacy space is expected to intensify in the future. As per industry experts e pharmacy segment is expected to witness consolidation. Major competitors for the company are 1mg, Reliance (acquired Netmeds), Amazon and Pharmeasy (acquired Medlife).

Two major factors that will be detrimental in the success of online-offline e pharma model and the companies involved are ability to set up warehousing capacities and building local pharmacy networks for last mile deliveries. This will enable them to offer competitive pricing and access to quality medicines even in remote places along with the ease of consultation.

	SastaSundar	1mg	Netmeds	Pharmeasy
Alexa Rating	**212**	246	771	730
Commenced Operations	**2014**	2015	2015	2015



Unlike its competitors who took out the intermediaries like the local pharmacists out of the supply chain, SastaSundar opted for a more inclusive model of roping in local pharmacies to handle their logistics. Through its RetailerShakti platform, local pharmacies are able to get their medicine supply from a single source. Through this SastaSundar is focusing on instilling efficiency in the retail network.

Customers from rural areas can reach out to their local pharmacies and these pharmacists in turn reach out to SastaSundar for the required medicines. **While majority of the company's competitors are concentrated in the metros and tier 1 cities, SastaSundar has been able to penetrate the tier 2 and beyond regions.**

Scale & Grow or Fail!

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Do the company have a real, scalable business model?

The heart of a business is its business model, and that business model must be scalable.

SastaSundar is building its business block by block, and it is already fully operational in the Indian states of West Bengal, Delhi-Haryana, Western Uttar Pradesh, Jharkhand, Bihar, Odisha, Uttarakhand and in the North-Eastern parts of India. The total number of PIN codes served is 15.5k+ countrywide.

With two Area Logistics Centres already up and running in West Bengal and Noida, the 3rd Area Logistics Centre and Healthbuddy network have now been initiated in Maharashtra as well. The places where the organization is not building its Healthbuddy network currently, are being serviced via courier and, therefore, SastaSundar is sufficing doorstep delivery to customers almost across PAN India.

The Healthbuddy and RetailerShakti network provides ample opportunity for the company to scale its business into further regions.

Does the product/service solve a real problem?

SastaSundar is on a mission to solve one of the biggest problems in India i.e, to provide low cost, genuine and high quality of healthcare products and services to customers.

The company aims to eradicate the inefficient distribution plaguing the Indian healthcare sector. The current state results in resource wastage on one side and problem of access on another side. Distribution is fragmented and not integrated with data. The organized and accredited supply system is not at all present in significant portion of the country particularly in suburban and rural areas. Distribution is also not integrated with information, knowledge, counselling and connected resources.

Online sales contribute just 3% in India – Huge room for growth for the larger and scalable players

Financial Analysis

	FY15	FY16	FY17	FY18	FY19	FY20
Consolidated Total Revenue (INR Cr.)	48.30	86.20	132.90	159.30	219.70	385.40
Consolidated EBIDT (INR Cr.)	-9.90	-28.60	-18.20	-12.8	-33.80	-52.30
Operating Profit Margins (%)	-19.01	-32.09	-13.30	-7.91	-15.22	-13.45
Consolidated Net Profit (INR Cr.)	-14.80	-36.60	-28.60	-14.70	-42.90	-52.10
Net Profit Margins (%)	-30.66	-42.38	-21.50	-9.24	-19.50	13.52

- The management hived off its financial services business in FY17. The consolidated operating revenue has grown at a CAGR of 42.60% during FY17-20.
- Majority of the company's revenue comes from its healthcare network business. Healthcare Network includes activities for pathology and marketing of healthcare products through e-commerce portal www.sastasundar.com, www.retailershakti.com and diagnostic services which consist of pathological/radiological investigations.
- The management looks to scale its food processing business in the future which at the moment contribute to close to 1% of the total operating revenue.
- As on March 31, 2020, the company has zero long term debt and cash and cash equivalents stood at INR 18.27 Cr.
- Free cash flow and Earnings per share are negative due to the discount based business model of the company.
- We believe that as the company moves into newer markets, they will be able to enjoy economies of scale and this in turn will bring in profitability.
- The company follows a cash and carry model across all its platforms therefore receivables have been consistently low.
- The inventory days have decreased from 90 days to 50-55 days range.
- The debtor’s days have decreased from 72 days to 10-15 days range.

Management Analysis

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Start-ups with a willingness to adapt, learn, and take on new ideas whilst implementing tangible changes should something be proved to not work are more likely to survive and thrive in a competitive market environment.

"We have exited from the domain of financial services as our core business because, in the next ten years, we cannot certainly be the market leaders of financial services in India. Finding ourselves in the same Red Ocean as others, we cannot be happy having the present cash flow at the cost of future cash flow and growth. Focus, has been instrumental in our working methodologies and we decided to employ our ensure focus currently on the healthcare domain as our core business." – **Chairman's Letter, AR FY17.**

"Learning is a cornerstone of ours. HappyMate Foods as a separate business vertical has been unsuccessful. So now, the entire private label is being aligned with SastaSundar." – **Chairman's Letter, AR FY20.**

The management has time and again reiterated that they are focusing on building a sustainable business and not going after short term gains.

"Our entire focus is to raise a sustainable business and hereon we believe to witness growth by every quarter. The businesses are in the infant stage and therefore will take some time to exhibit positive cash flow and divided payout. I am sure that this short term risk will prove beneficial for the long run." – **Chairman's Letter, AR FY14.**

Holding themselves accountable – *"In my last year's letter, I talked about to achieve the next 5mn order milestone within less than 12 months; I am pleased to share that the milestone was achieved within 11 months and now, we are gearing up to achieve the next 10mn order milestone in next 12 months."* – **CEO's Letter, AR FY20.**

"We look for three things when we hire people. We look for intelligence, we look for initiative or energy and we look for integrity. And if they don't have the latter, the first two will kill you. Because if you are going to get somebody without integrity, you want them lazy and dumb. You don't want them smart and energetic." **— Warren Buffett, Speech, Terry College of Business at the University of Georgia, 2001**

Leadership

Banwari Lal Mittal – Executive Chairman

Banwari Lal Mittal is a fellow member of the Institute of Chartered Accountants – India, The Institute of the Company Secretaries – India and the Institute of Costs and Works Accountants – India. He has over two decades of experience in nurturing businesses. He started his career with the Birla Corporation Limited where he worked for 8 years and thereafter founded financial services in the year 2000. He has more than 4 years of experience in Healthcare.

Ravi Kant Sharma - CEO

Ravi Kant Sharma is a fellow member of the Institute of Chartered Accountants – India. After completing his education, he along with Banwari Lal Mittal started financial services business in the year 2000.

The founders have worked together for 17 years. Both Mr. Mittal and Mr. Sharma comes across to us as Intelligent Fanatics – they are both ambitious and are focused on solving a major problem faced by the country. They have built an all inclusive business model and have been able to scale it to 8 states within a span of 6 years without much leverage. They have also been quick enough to leverage their existing networks to enter related businesses.

The management has pioneered the concept of integrating technology with the human interface through its Healthbuddy network. They have concentrated in capturing 10% market share in each region without being too aggressive in expansion.

They also do not draw any remuneration from the company.

Sources of Risks

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Regulatory Risk

E-Pharmacies operate in a grey area. The sector has now long been plagued by the ambiguity over regulation and governance. In the absence of clear-cut laws, e-pharmacies have remained susceptible to legal problems. For example, the protests and legal actions taken by the All India Organisation of Chemists and Druggists (AIOCD) against online pharmacies saw the Delhi High Court banning the online sale of medicine by 'un-licensed' players thereby limiting the role of hundreds of online pharmacies in 2019.

Offline players Lobby Risk

The retail pharmacists fear that e-pharmacy will do to them what Flipkart and Amazon did to their retail counterparts and are heavily lobbying against the e-pharmacy industry. So this could delay the regulation, though in the long run the regulation will come. Given the political nexus in the pharma distribution business this could be more serious than what meets the eye.

Competition Risk

The online pharmacy sector is going through major consolidation. With the entry of Reliance and Amazon, Sastasundar will face much intense competition in its market areas. While this consolidation will root out the much smaller players with limited delivery infrastructure, we believe Sastasundar is well placed against its peers by being an early mover in the sector.

Future Outlook

Despite the regulatory speed bumps the sector seems to be going from strength to strength and with the big companies now jumping into the playing field, it's only a matter of time until the idea of pharmacies in India is completely transformed.

For the e-pharmacy market to grow, one of the key areas to focus upon is consumer awareness. Educating the common consumers to understand the importance of complying with the policies and following the law is the need of the hour. It's only when the consumers will cooperate with the decision-makers to adhere to the set rule of uploading prescriptions and buying medicines from legal license holders is when the growth of online pharmacies will become steady.

Both the dealers and consumers will have to keep quality assurance and safety policies in check before selling and buying medicines online, respectively. The goal for the online pharmacies is to tap every part of the country and make medicines readily available at any time of the day. The demand for increased convenience and instant solutions in the urban areas will slowly take over the rural parts of the country as well.

Digital payments and the presence of online pharmacies may also bring in more transparency and price competition in the pharmacy market, thereby making medicines more affordable for end consumers. Partnerships with State Governments will also enable supplies in remote areas. Access to both online and offline pharmacies will provide options to consumers to choose based on the requirements, availability and price.

A model of retail pharmacy which is a combination of e-pharmacy and brick and mortar pharmacies, will benefit consumers and make the healthcare system more resilient.

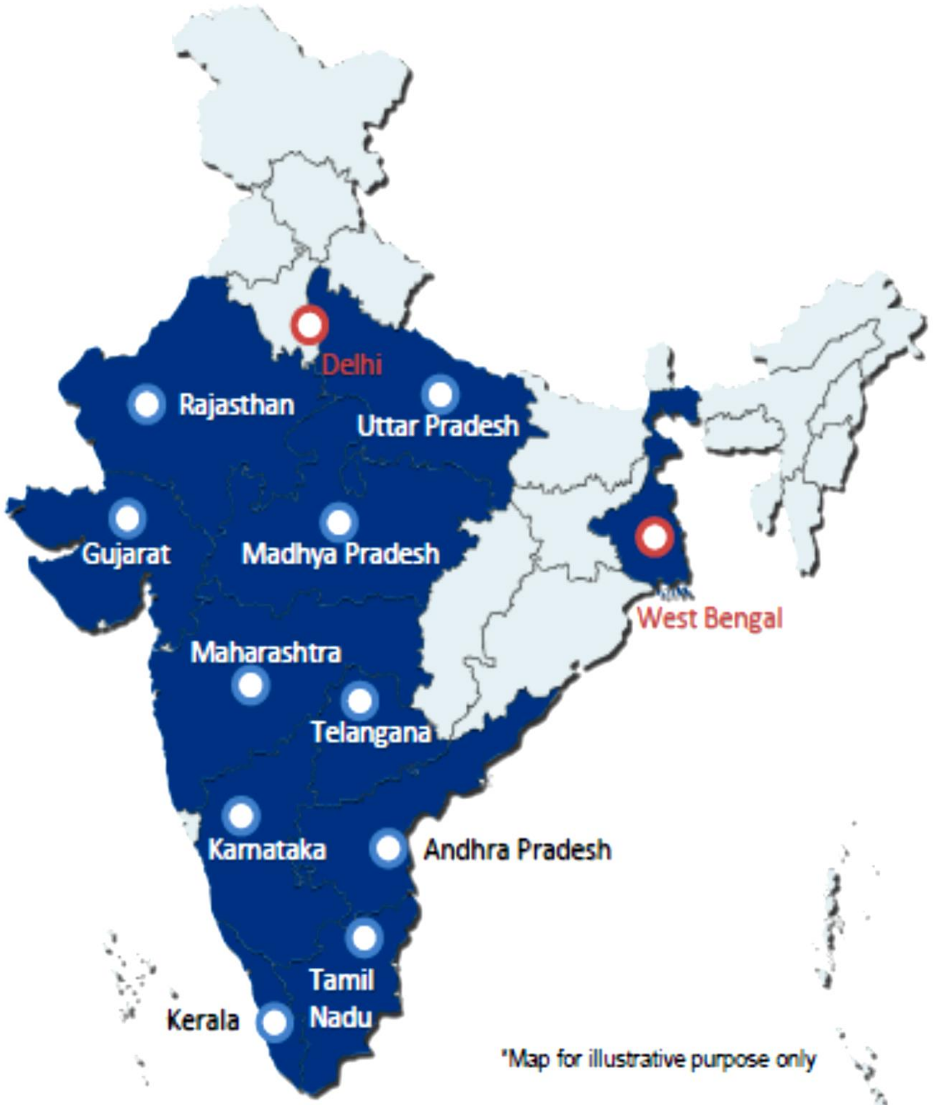
SastaSundar has realized this and has built its business model around this concept. Experts believe there is a fundamental shift in healthcare delivery with big data becoming indispensable. The company has been an early mover in all these aspects and has clearly shown its resilience in major markets.

Although the company's competitors are heavily funded by VCs, SastaSundar has been able to scale and improve its operations without taking up much debt. We believe SastaSundar's all inclusive model is the way forward for the Indian e pharmacy segment. Ambitious management, first mover and scalable retail focused business model are the key aspects why we are bullish on Sastasundar.

Target Market

SastaSundar is targeting to capture 10% of pharma market in each region

These 12 target states would have 1 warehouse each



Each warehouse can cater to 250 pharmacies

SastaSundar is targeting 3000 micro pharmacies

Statutory Disclosure

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SEBI Research Analyst Registration No. : INH200006451

1. At the time of writing this article, **the analyst have no position in the stock** covered by this report.
2. The analyst has not traded in the recommended stock in the last 30 days.
3. The research analyst does not have any material conflict of interest at the time of publication of the research report.
4. The research analyst has not received any compensation from the subject company in the past twelve months.
5. The research analyst or its associates has not managed or co-managed public offering of securities, has not received any compensation for investment banking or merchant banking or brokerage services nor received any third party compensation. The subject company was not a client during twelve months preceding the date of distribution of the research report.
6. The research analyst has not served as an officer, director or employee of the subject company.
7. The research analyst or research entity has not been engaged in market making activity for the subject company.
8. The research analyst or research entity or its associates or relatives does not have actual/beneficial ownership of one per cent or more in the securities of the subject company, at the end of the month immediately preceding the date of publication of the research report or date of the public appearance.
9. The analyst does not own more than 1% equity in the said company.